# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:7756
ANSWERED ON:17.05.2002
REVENUE FROM TEXTILE INDUSTRY
KUMUDINI PATNAIK

**Will the Minister of FINANCE be pleased to state:**

(a) Whether there is any proposal to allow the States to tax Additional Excise Duty articles after introduction of VAT in the States;

(b) the total revenue collected in the country during the last three years from textiles, State-wise;

(c) whether after the price hike of the textiles due to globalisation of the economy and freedom of trade of imported textiles, the Textile industries of the country be affected; and

(d) if so, the remedies contemplated by Government to address this problem?

## Answer

MINISTER OF FINANCE IN THE MINISTRY OF FINANCE (GINGEE N. RAMACHANDRAN)

(a) Yes, Sir. In principle, a decision has been taken that the States should be allowed to levy a Value Added Tax (VAT) on Additional Excise Duty items, i.e. sugar, tobacco and textiles which will coincide with the States` decision to implement VAT with effect from 01st April 2003.

(b) The revenue from Excise Duty is collected by the Central Government.Therefore, State-wise figures are not required to be maintained. However, the revenue collected from textiles in the last three years is as under;

| Year | (Rs. In crores) |
|---|---|
| 1998-1999 | 4312 |
| 1999-2000 | 4224 |
| 2000-2001 | 4346 |

(c) & (d). Ministry of Textiles have reported that the prices of textile items have not increased in the past in commensurate with general price index. Though imports of textile items have increased in the past, but such imports are not significant as these are only 1% of domestic production.